

Reinvestment Update

A publication of the San Diego City/County Reinvestment Task Force

"Spur private and public financing of affordable housing and economic development activities in those communities experiencing disinvestment"

INSIDE THE ISSUE:

- ★ Task Force for Financial Education
- ★ New HMDA and CRA Small Business lending summary
- ★ Fannie Mae Considers San Diego Office
- ★ Task Force endorses Smart Growth Model
- ★ RTF Receives Visionary Award

Task Force Partners for Financial Education

"Financial Education is a major priority for my administration," said Tony Young "I want this City and County to be the most financially fit in the region" The event was the Smart Money Summit held April 8 at the Community Concourse. Over five hundred people attended nine workshops throughout the day ranging from Home Ownership to the Basics of Investing. Bankruptcy Court Judge John Hargrove presented on the potential dangers of credit abuse. Twenty-five non-profits provided reformation and assistance on site. Community Housing Works, SD Home loan Counseling



and the MACC project did three back to back home ownership workshops filled with listeners. "We didn't get a break to eat," said Mary Otero.

The RTF will follow up with a series of local workshops with local residents throughout the county.

According to Supervisor Roberts, "I think we have struck a chord here on people's desires to know more about managing personal finances. We can work to fill the gaps."

City/County Reinvestment Task Force
Co-Chairs
County Supervisor
Ron Roberts

City Council
President Pro Tem
Anthony Young

Director of RTF
James Bliesner
Jim.bliesner@sdcounty.ca.gov

3989 Ruffin Rd.
San Diego, CA 92123
858.694.8771
Fax 858.514.6529

www.sdcounty.ca.gov/rtf

RTF Board of Directors

Marco Cortes- Public Member

Lynn Hastings- Public Member

Bob Adelizzi- Public Member

Jim Schmidt- Public Member

Scott Kessler- BID Council

Joe Horiye- LISC

Gordon Boener- SDNB

Wendell French- Wells Fargo

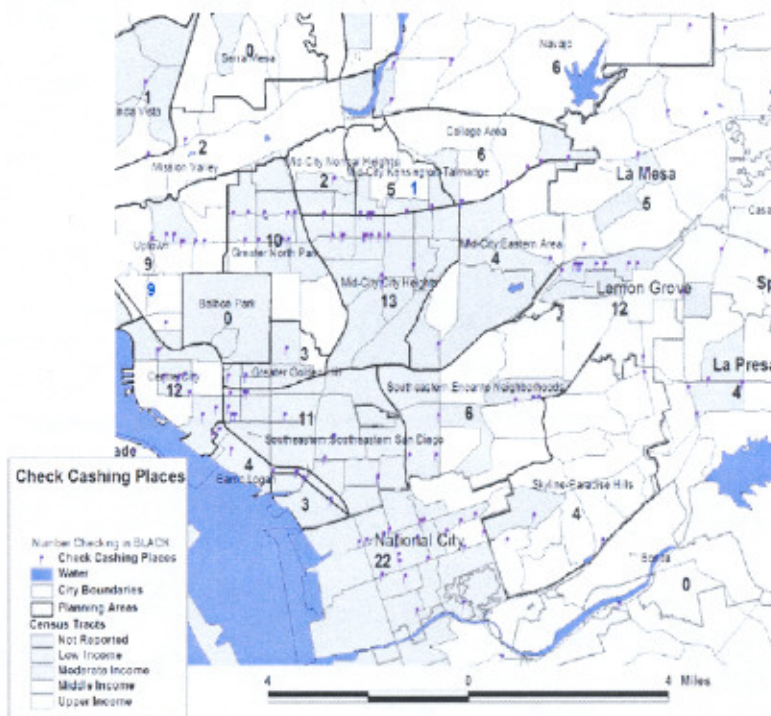
Kathy Patoff- Union Bank

Art Rivera- Washington Mutual

Angie Lucero- Bank of America

New 2004 HMDA and CRA Small Business Lending Analysis

At a recent RTF meeting Steve Bouton presented his 2004 HMDA and CRA Small Business Lending Summary. The report incorporated maps of predatory loans, check cashers, bank branches as well as graphs of small business lending. Bouton used the maps to help support preconceived notions of the lending gaps, as well as the relation between check casher's and bank branches in San Diego County. He also presented recommendations for the RTF; 1) check casher's



Continued from page 1

are in compliance with federal homeland security regulations 2) financial education should be targeted to certain areas 3) that their should be careful monitoring of home mortgage foreclosures and 4) re-evaluation of financial institution lending practices.

The report was accepted by the RTF and at the recommendation of Councilman Young will be referred to the SD City Council. The summary is available on the RTF website.
www.co.san-diego.ca.us/rft

The highlights of the presentation included:

- The rate of applicants approved, per 1000 housing units, was twice as high in upper and middle-income defined census tracts versus low and moderate-income defined tracts.
- 18 percent of the applications approved were in low and moderate income defined tracts, which account for 30% of the total tracts in San Diego County.
- Black and Hispanic Applicants were denied at a higher rate in low, moderate and middle-income census tracts.
- HUD defined predatory lenders had a high concentration in low and moderate income defined tracts. 27% of the HUD defined predatory loans versus 17% of the non-predatory loans.
- 45% of the predatory loans were made in middle-income census tracts.
- 44% of non-predatory lenders are made in upper income defined census tracts.
- Check cashing facilities and payday lenders are predominately serving the low and moderate-income areas of San Diego County.
- There are 12 defined Cities in the County that have a greater number of check cashing facilities than banks.
- There are proportionally fewer banks serving low and moderate- income geographies with branches located in low and moderate- income census tracts.
- Since 1998, there has been a small decline in the number of small business loans (CRA) made in low and moderate income defined tracts.
- There appears to be a strong geographic association between spatially concentrated check cashing facilities, predatory lending distribution and the low and moderate- income census tracts.

City Name	Number of Check Cashing Facilities	Number of Banks
San Diego	204	227
Chula Vista	39	28
Oceanside	32	18
El Cajon	31	13
Escondido	22	27
National City	22	5
San Marcos	14	11
Lemon Grove	12	2
Vista	12	16
Encinitas	8	15
Poway	8	9
Santee	8	7
Carlsbad	6	21
Fallbrook	6	9
Imperial Beach	5	0
La Mesa	5	17
Winter Gardens	5	2
Casa de Oro-Mount Helix	4	5
Lakeside	4	0
La Presa	4	2
Ramona	4	5
Bostonia	3	1
Spring Valley	3	0
Coronado	2	6
Alpine	1	2
Rancho San Diego	1	5
Solana Beach	1	5

Number of Check Cashers vs. number of Banks for each San Diego City

Planning Area Name	Number Check Cashing Facilities	Number of Banks
San Ysidro	23	9
Mira Mesa	14	10
Mid-City/City Heights	13	7
Centre City	12	20
Southeastern/Southeastern San Diego	11	2
Otay Mesa-Nestor	11	4
Greater North Park	10	4
Keamy Mesa	9	13
Uptown	9	9
Pacific Beach	8	10
Clairemont Mesa	7	5
Navajo	6	9
College Area	6	6
Midway-Pacific Highway	6	4
Southeastern/Encanto Neighborhoods	6	1
Mid-City/Kensington-Talmadge	5	1
Peninsula	5	10
University	4	20
Mid-City/Eastern Area	4	3
Skyline-Paradise Hills	4	1
Bonita Logan	4	1
Greater Golden Hill	3	0
32nd Street Naval Station	3	1
Otay Mesa	3	1
Rancho Penasquitos	2	5
Scripps Miramar Ranch	2	2
Tierrasanta	2	2
Mission Valley	2	9
Mid-City/Normal Heights	2	8
Rancho Bernardo	1	15
Torrey Pines	1	1
Flower Hill	1	0
Carmel Valley	1	4
Miramar Ranch North	1	3
La Jolla	1	22
Linda Vista	1	2
Ocean Beach	1	4

Number of Check Cashers vs. number of banks for each San Diego County Planning Areas

Fannie Mae San Diego Office

Philip Williams Director-American Communities Group of FNMA introduced Michael Hernandez, VP for Housing and Community Development FNMA, to San Diego recently. Their purpose in visiting a number of private and public agencies was to assess the market potential for a range of credit products.

The products are delivered through their network of community business centers. They currently have centers in Los Angeles, San Francisco, and Sacramento.

The Community Business Center is a production-oriented facility vs. a policy/public relations effort. It will

provide new credit products for low/moderate-income communities, which FNMA has not done directly in the past. Products may include financing for affordable housing, equity capital, predevelopment loans as well as first time home buyers opportunities.

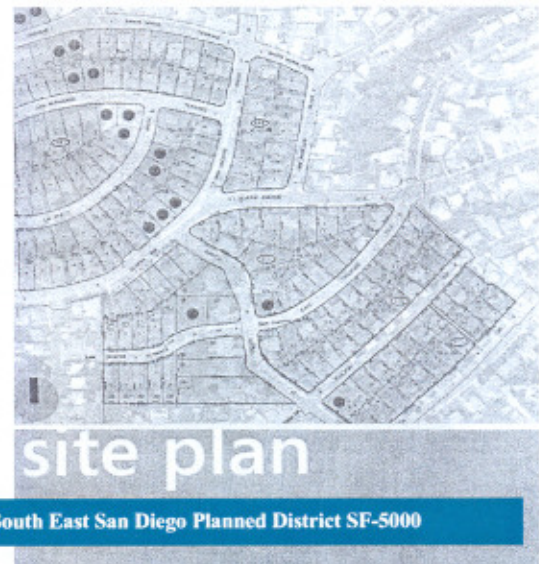
Task Force Endorses Smart Growth Model

How Does "Smart Growth" apply to a single-family neighborhood like Valencia Park? The fear is that it means scraping single-family houses and building apartments.

A proposal by Eddie Price of the Urban Economic Development Corporation calls for new development in on vacant single-family lots. Research shows that un-built single-family lots are scattered throughout older neighborhoods of San Diego. They are too expensive to develop

individually. The proposal by Mr. Price calls for smart-growth development of 15-20 single-family lots vacant and collecting trash and crime in his neighborhood. "These lots can be purchased together and developed together if we have the cooperation of the City, the Housing Commissions, and SEDC. Our neighborhood can be models for smart growth infill," stated Mr. Price.

The RTF endorsed the effort and has forwarded a request to SEDC and the Housing Commission to consider the



idea. The need for new affordable housing and increased lending under the Community Reinvestment Act was the basis for the Task Force Support.

RTF Receives "Visionary" Award

The Urban Land Institute (ULI), a national organization focused on responsible land use presented the RTF with its San Diego "Visionary" award at its annual breakfast on June 13. The award recognized the work of the RTF in creating the SD Capital Collaborative and its \$90M Smart Growth Fund. The fund was designed to provide equity capital for

mixed use/mixed income development in commercial areas of older communities in San Diego. The formation of the fund and its structure were the result of five years of research, legal work and fund solicitation RTF board member Bob Adellizze volunteers as Chairman of the non-profit SDCC.

City/County Reinvestment Task Force

3989 Ruffin Rd. San Diego, CA 92123

Phone: (858)694-8771

Fax: (858)514-6529

www.co.san-diego.ca.us/rtf